

CHARTER OF THE BOARD OF DIRECTORS

Particular duties of the Board of Directors

To perform its duties and in pursuit of its objective, the Board of Directors of Outokumpu Oyj (the “Company”) shall in particular:

a. With respect to directing the Company’s business and strategies

- Decide on the basic strategy and long-term targets of the Outokumpu Group (the “Group”) and monitor their implementation;
- Decide on annual business plans;
- Decide on the annual limits for the Group’s capital expenditure (the “Capex Frames”), monitor related implementation, review performance and decide on changes;
- Decide on any individual investments or expenditure included in the approved Capex Frames and having a value of more than €20 million as well as on any other major and strategically significant investments;
- Decide on any major and strategically important business acquisitions and divestments within the current scope of business, having a value of more than €10 million;
- Decide on any significant financing arrangements by any Group company (including, without limitation, loans, derivatives, guarantees and pledges) which either exceed €150 million, are organized by way of public offerings, or which are otherwise out of the Group’s normal course of business;
- Decide on any other commitments by any of the Group companies that are out of the ordinary either in terms of value or nature, taking into account the size, structure and field of the Group’s operations.

b. With respect to organizing the Company’s management and operations

- Nominate and dismiss the Chief Executive Officer (the “CEO”) and his/her deputy, if any, monitor his/her performance and decide on the CEO’s terms of service, including incentive schemes, on the basis of a proposal by the Board’s Remuneration Committee;
- Nominate and dismiss the members of the Outokumpu Leadership Team and define their areas of responsibility based on a proposal by the Board’s Remuneration Committee;
- Monitor the adequacy and allocation of the Group’s top management resources;
- Decide on any significant changes to the Group’s business organization;
- Decide on the Group’s ethical values and modes of activity;
- Ensure that policies outlining the principles of corporate governance are in place;

- Ensure that policies outlining the principles of managing the Company's insider issues are being observed;
- Ensure that the company has guidelines for any other matters that the Board deems necessary and that fall within the scope of the Board's duties and authority.

c. With respect to the preparation of matters to be resolved by the General Meeting of Shareholders

- Establish a dividend policy and issue a proposal on dividend distribution;
- Make a proposal to the Annual General Meeting concerning the election of an external auditor and auditing fees;
- Make other proposals to General Meetings of Shareholders.

d. With respect to financial control and risk management

- Discuss and approve interim reports, statements and annual accounts;
- Monitor significant risks related to the Group's operations and the management of such risks;
- Ensure that adequate policies for risk management are in place;
- Monitor financial position, liquidity and debt maturity structure;
- Monitor the Group's control environment;
- Reassess its activities on a regular basis.

Duties of individual members and Chairman of the Board of Directors

All members of the Board of Directors shall have the same responsibility for the Board's work.

The Chairman of the Board will preside over the Board of Directors and has a casting vote in the event of a split vote among the Board. It is the general duty of the Chairman to control the administrative work of the Board so that its duties are carried out appropriately and effectively. For this purpose, the Chairman shall:

- be responsible for the planning of the Board's activities;
- see to it that each Board meeting is convened as scheduled and that extraordinary Board meetings are convened as necessary;
- approve the agenda, based on a proposal by the CEO, for each meeting;
- grant rights to be present at Board meetings; and
- see to it that minutes are prepared of the meetings.

When the Chairman is prevented from attending to his/her duties, the Vice Chairman shall be responsible for attending to the aforementioned duties.

Board Meetings

Board meetings will be held as regularly as deemed necessary, but at least five times every year. According to the Company's Articles of Association, the Board of Directors constitutes a quorum with more than half of its members present. Minutes shall be prepared for each meeting of the Board of Directors.

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